RS680-2
5/1d59

JAPAN · ECONOMIC · INSTITUTE

JEI

REPORT

NO. 18A May 5, 1989

WOMEN IN JAPAN'S LABOR FORCE

Summary

Despite constitutional guarantees of equal rights and an equal opportunity employment law passed in 1986, Japanese women continue to lag behind their male counterparts in the workplace. Traditional family values still are entrenched in Japan. And most people, women as well as men, believe that the wife should remain at home to rear the children. In spite of this domestic ideal, economic pressures have continued to force some women to work, while others seek jobs for self-fulfillment, driven in part by the effort of highly educated women to find jobs that match their abilities. While the percentage of women in the workforce continues to climb gradually, women still trail men in terms of wages and management positions. Given Japan's changing economy and current labor shortage, women could play a key role in the labor force. Yet society itself may decide that the economic benefits of expanding women's roles in the workforce are not worth the accompanying changes on the domestic scene.

Overview

The 14th article of the 1947 Japanese constitution, imposed on Japan by the American occupation forces, sets forth a legal guarantee of equality. Unlike the sometimes vague rhetoric of the American constitution, the Japanese document states that people are equal and will not be discriminated against due to race, creed, sex, social status or family origin. This equality is to govern relations in political, economic and social spheres. Similarly, the 24th article guarantees the equal rights of both spouses in marriage.

Given this constitutional status, it is surprising to many Westerners that Japanese women have been unable to achieve a more equal status in the workplace since the end of World War II. Perhaps, in Western eyes, it is even more surprising that there is not a stronger women's rights movement in Japan to make the goals of equality a reality.

The legal rights of Japanese women were strengthened by the passage of the Equal Employment Opportunity Law of 1986. Under the law many discriminatory practices, such as advertising that a position should be filled only by a person of a certain sex, were supposed to end. But many Japanese remain concerned about whether the legislation is having a significant impact. The law is designed to prevent unfairness in hiring, promotion and assignment procedures. But there are no penalties for companies that do not comply. In a late 1988 survey by Nihon Keizai Shimbun only 3.5 percent of the responding companies said that they provided new management positions to women as a result of the law. (About 25 percent of the companies already had programs to promote women managers.) Reflective of arguments heard in the United States against passage of the Equal Rights Amendment is a concern in Japan that implementation of the law may be halfhearted or cause a loss of certain privileges that were designed to protect women. Among the considerations given to women are provisions allowing time off for those unable to work because of menstrual problems. Each company is allowed to decide whether the time off is granted with pay or not. Women are required to get verification from coworkers and then request the time off from their supervisors.

Women also are granted pensions at an earlier age than men -- currently age 55 versus 60 or 65 for some male workers, but the corollary is that women are expected to quit work earlier. Equality in this area might serve to keep skilled women in the workforce longer -- especially since their longevity averages 81.4 years -- as well as helping to delay pension outlays.

Attitudinal Roadblocks

A major obstacle to women being able to expand their positions in the workforce is societal values. Most Japanese prefer the traditional family structure of father working outside the home, mother at home with children. Most women quit their jobs when they marry, usually between the ages of 22 and 28, or almost always when they have their first child (usually within a few years after marriage). The mother typically stays home with the children and is preoccupied with furthering their education (see JEI Report No. 7A, February 17, 1989).

But values seem to be changing, and more women are expressing the desire to work outside the home. In a 1984 survey by the Prime Minister's Office women respondents were divided almost evenly about the statement: men should work outside the home while women should work inside the home (49.2 percent agreed while slightly more, 50.8 percent, disagreed). Men, however, tended to agree with the statement almost 3 to 1 with 62.7 percent in favor and 37.3 percent against. As recently as 1972 more than 80 percent of those polled agreed with the statement. Another survey, this one conducted by the Tokyo

The JEI REPORT (ISSN 0744 6489) is published weekly except for the New Year, Memorial Day, Labor Day, Thanksgiving and Christmas holiday weeks for $40 per year by the Japan Economic Institute of America, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036. Second class postage paid at Washington, D.C. POSTMASTERS: Send address changes to JEI REPORT, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036.

Metropolitan government in February 1988, showed that even in metropolitan areas traditional values still are strong. The majority of people, 83 percent of the men and 77 percent of the women, felt that women who work still should bear the chief responsibility for childcare and housework.

Patterns of Employment

The employment pattern of Japanese women has changed relatively little in recent years. Most young women complete high school despite the fact that it is not compulsory. (About 94 percent of all students attend high school, of which only about 1.5 percent drop out.) Approximately 35 percent of female secondary school graduates go on to a two-year junior college, where 90 percent of the students were female in 1987, or they attend four-year universities, at which 25 percent of the student body was female in 1987. Most young women therefore are either in school or employed. Their careers normally are cut short for marriage and children after five to 10 years of working. Since the average Japanese family has two children and the woman usually remains in the home until the children are in school, this represents a 10- to 15-year period during which the woman is out of the workforce.

Her return usually is to part-time work, which at least initially gives her the flexibility to be home when the children are not in school. Having taken off from work for a number of years, most women never are able to return to the career path. In fact, the salaries of women over age 30 tend to be relatively flat. Their male counterparts can expect their salaries to increase to a certain point as they enjoy the benefits of a society in which promotions are based more on seniority than on merit. Thus, it is difficult for a woman to "make up" for the years she stayed home, even if this time is kept to a minimum.

This pattern of working, dropping out to raise a family and reentering the workforce is one of the factors behind women's unequal status in jobs and salary in Japan. Given the societal expectation that women will be working primarily in the home as wives and mothers, many parents choose to send their daughters to a two-year college rather than to a four-year university. In choosing a major many women study nonbusiness subjects, such as nutrition and home economics. Since firms expect the average female employee to work no more than seven years, they are loath to invest time and money in training. According to the Nihon Keizai Shimbun survey released in late 1988, it takes a woman college graduate an average of 12.2 years to reach the position of section leader, the lowest management level.

Young women who work for companies often are put in clerical jobs that may require little of their abilities. Given boredom in the workplace, lack of responsibility and no future goal toward which to strive, coupled with the general affluence of the nation, many women are willing to quit this type of ippan shoku (clerical track) job. Even when women are able to move from an ippan shoku to a sogo shoku (general track from which all management candidates are selected) job, the change is not necessarily reflected in a commensurate salary or responsibility.

Another reason women in Japan have fallen behind men in job status and salary is because, as previously noted, many end up as part-time employees. Close to half of the female population over the age of 15 works, comprising 40

percent of the workforce in 1987. At least one-third of those are part-time employees. But women represented 75 percent of the part-time workforce in 1987.

One factor that may contribute to the relatively high proportion of part-time female workers is that only 15 percent of corporations have implemented maternity or childcare policies, according to an article in the Liberal Star, a Liberal Democratic Party publication. Most public day-care centers must close at 6 p.m., which is too early for many career-oriented parents. Government regulations that specify the hours during which the centers can operate help slow the growth of such services. Another issue involves jurisdiction. Some say the day-care problem is limited primarily to urban areas, such as Tokyo, and thus should be solved at the local government level. New policies proposed by the Health and Welfare Ministry include extending day-care hours until 7 or 8 p.m. and accepting infants under one year of age.

Women are making more progress in certain sectors that are noted for employing high percentages of females. In 1988 a record number of women were company presidents, heading 4.4 percent of all companies and 3.5 percent of firms capitalized at more than Y1 million ($8,000 at Y125=$1.00). Of the top 100 companies run by women, ranked by sales, last year, 73 percent of the women succeeded their fathers or husbands who had died or become ill. These businesses were mostly in fields often associated with women, such as women's and children's clothing, wholesale and retail sales, and real estate leasing. Despite the rising number of women at the top, nearly 70 percent of the respondents to the late 1988 Nihon Keizai Shimbun survey believe that the highest management position women can achieve is department head, which is the level between section leader and division chief.

Some Japanese argue that even though women usually are not heads of business or government this does not mean that women are not equal. They point out that in Japanese culture people at the top often do not wield true power; their subordinates run the show. These Japanese assert that women have a great deal of power within the family, especially since they tend to control the family finances. This argument then is extended to the workplace. However, despite brief periods when Japan had an empress rule the country or when upper-class women in medieval times shared inheritance rights with men, the tradition of the country has been male-dominated.

Underscoring the differences in attitudes between those who feel discriminated against and those in charge is a report released by the Prime Minister's Office in March. The government found that 63 percent of the women surveyed felt that despite the 1986 Equal Employment Opportunity Law they do not receive equal treatment. In contrast to their female employees' opinion, half the companies surveyed believed that they treated women equally even before the passage of the law.

Barriers to a Management Role

The levels of responsibility that working women can hope to attain remain low despite changes in the employment law. As an example of many agreeing to the concept of equality but few being willing to actively go along with it, more than 65 percent of the respondents to an Asahi Shimbun survey in 1986 favored the idea of women in supervisory positions, but only 23 percent said

they would want to work for a woman. The Nihon Keizai Shimbun poll found that only 1.29 percent of managers are women. For women in key positions, such as division chiefs and directors, the figures are even lower, less than 0.2 percent.

One factor hindering women's rise to the management ranks is the attitude of male colleagues. Companies are supposed to work toward achieving more equality, according to the law, but corporate rules do little to affect the perceptions of those who work with female professionals. Many men complain that they do not know how to treat female coworkers, especially under certain circumstances, such as working overtime or obligatory after-hours socializing with clients. While a woman usually can earn the respect of her coworkers through daily contacts, many companies are concerned about the reactions of their clients if they must deal with a woman.

Another reason it is difficult for women to reach management-level positions is that they are traveling along the wrong track in their company. It is difficult for women to switch from an almost exclusively female clerical track to a more career-oriented track.

Women employees are missing not just the management track but also are losing in the salary race. Men earn higher salaries in most positions in comparison with female counterparts. Not only is the base salary different, but, according to a Labor Ministry report released in March, the salary increases enjoyed by male workers outpaced those of female workers in 1988. Furthering the gap in wage differentials, men's monthly wages climbed 2.6 percent from 1987 while those of women went up by only 2.2 percent.

A decision facing many Japanese women who want to follow a career path is whether they will make sacrifices not required of male counterparts. Specifically, many women feel that they do not have time for marriage or children in the early stages of their career. One president of a large wholesaler of women's wear admitted that she had had several abortions when she was young because she felt that having a child would end her career. Today she believes that companies have a responsibility to the health of mothers and to provide more day care to enable women to return to the workforce.

According to many business people in Japan, the achievement of equal rights in the workplace under the 1986 legislation will not occur until women become more serious about their careers. These forecasters stress the need to develop qualities like professionalism and a willingness to take responsibility. But according to the Nihon Keizai Shimbun survey, the qualities desired in a manager vary by sex. In men desired qualities include enthusiasm and creativity as well as a willingness to assume responsibility, while in women cooperativeness was stressed along with attention to detail.

Entrepreneurs

Some women are taking their own track to success. Many who want to start back to work after taking time to raise a family quickly have realized that they have been left behind by career-oriented compatriots. The field of education and teaching is considered one in which women can do well after being away from the daily grind or even for those starting out. Public school teachers enjoy some of the best maternity leave benefits available. Gradually the

percentage of women who are becoming teachers, especially at the primary school levels, is rising. Women account for 56.5 percent of primary school teachers, 34.5 percent of junior high school teachers and 18.2 percent of high school teachers. The most prestigious positions, however, continue to elude women as 38.4 percent of junior college professors are women but only a scant 8.6 percent are university professors.

Making headlines in more competitive arenas, however, are people such as Hiroko Minami, the head of Bi-Lingual Corp., an international chain of language schools. To this recently divorced mother business success was crucial. After learning the trade by running a school for nine years, she began to expand, opening new schools and hiring women like herself to be managing directors. In 1988 Bi-Lingual expected to have $50 million in revenues.

Another field in which women have excelled is in the clothing business. Two prominent figures are the internationally reknowned designers Hanae Mori and Rei Kawabata. Less visible to the public are a number of women who have risen to be presidents of wholesale/retail apparel firms. Chieko Ishii returned to the retail end of the clothing business after a 17-year hiatus. Having made her store the most profitable in the Leilian Co., Ltd. chain, Ms. Ishii was made the company's first marketing director. That position gave her the visibility that led to her being named president of Printemps department store. Another success in the apparel industry is Kinuko Kojima, who became the president of her own firm. Realizing a need for formal black funeral dresses as an alternative to kimonos, Ms. Kojima created a niche for her product, which had sales in 1987 of $127.2 million.

Influences for Change

At least three different forces are going to continue to press for more women in the workplace. The aging labor force is one of the considerations facing Japanese businesses (see JEI Report No. 10B, March 10, 1989). Second, women who have worked hard to achieve higher levels of education will continue to push for more commensurate rewards for their efforts. Lastly, there is the increasing influence of foreign companies. These companies may not have the prestige and security of employment to hire male graduates from top Japanese universities. But foreign companies are snapping up bright Japanese women who often view these employers as their best path to promotion and responsibility.

One way that some savvy Japanese women are looking to leap ahead into the management field is through study abroad, primarily by getting a masters in business administration from American universities. These women tend to work in Japanese branches of foreign companies. But some Japanese companies are starting to look more closely at these female candidates as they have proven to be very qualified employees for their U.S. rivals.

These new trends have some Japanese social critics worried. They point to what they see as the ill effects of more workplace equality, and they warn Japanese women against emulating American career women. A Japanese professor from the University of Tokyo, Sukehiro Hirakawa, argues that the side effects of American women's liberation have included high divorce rates, child abuse, juvenile delinquency, low education levels and a high crime rate. Thus, women's liberation is indirectly responsible for the decline of America, he said, summarizing that Japan should not try to emulate the U.S. struggle for

equal rights but should commend Japanese mothers and homemakers for ensuring the country's prosperity.

Conclusion

With the difference in cultural traditions between other industrialized nations and Japan, it is not clear how much momentum is behind the push to ensure women total equality in the workplace. The Equal Employment Opportunity Law of 1986 was passed in part due to gaiatsu, or foreign pressures, stemming from the United Nations effort to eliminate discrimination as part of its Decade for Women, which ended in 1985. As Japanese society struggles to make its views compatible with both international opinion and domestic laws, some labor practices are likely to change. But the country will be looking to strike a balance, one that avoids some of the negative results Japan sees as linked with the high proportion of women in the workforce in the United States.

For further information, contact Gretchen Green.

* * * * * *

The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

APPENDIX

Table 1: Labor Force Survey, 1980 and 1988

(in thousands)

	1980	1988
Population Age 15 and Older	89,320	98,490
Men	43,410	47,900
Women	45,910	50,590
Labor Force	56,500	61,660
Men	34,650	36,930
Women	21,850	24,730
Labor Force by Age Distribution		
Men	100.0%	100.0%
15-24	10.2	10.7
25-34	27.7	21.0
35-44	24.7	26.3
45-54	21.1	21.9
55-64	10.9	14.7
65+	5.3	5.3
Women	100.0	100.0
15-24	15.9	15.6
25-34	21.8	17.3
35-44	24.5	25.9
45-54	21.8	22.9
55-64	11.6	13.0
65+	4.3	5.2
Labor Force Participation Rates	63.3	62.6
Men	79.8	77.1
Women	47.6	48.9
Labor Force Participation Rates by Age Distribution*		
Men	100.0	100.0
15-24	43.0	41.9
25-34	96.4	96.8
35-44	97.9	97.3
45-54	96.4	96.0
55-64	85.0	81.9
65+	40.9	35.4
Women	100.0	100.0
15-24	43.8	42.8
25-34	48.4	53.7
35-44	61.0	64.2
45-54	61.9	65.0
55-64	45.2	44.8
65+	15.5	15.3
Employed	55,360	60,110
Men	33,940	36,020
Women	21,420	24,090
Unemployed	11,400	15,500
Men	7,100	9,100
Women	4,300	6,400

Table 1 continued

	1980	1988
Distribution of Employed People by Employment Status		
Men		
Employees	77.3%	79.9%
Self-Employed	19.4	17.4
Family Workers	3.3	2.6
Women		
Employees	63.3	69.5
Self-Employed	13.7	11.8
Family Workers	23.0	18.7
Employed People by Industry		
Men		
Agriculture and Forestry	2,600	2,190
Fisheries	340	300
Mining	100	60
Construction	4,720	4,750
Manufacturing	8,400	8,830
Utilities	260	270
Transportation and Communications	3,090	3,050
Wholesale and Retail Trade	6,720	7,220
Finance, Insurance and Real Estate	1,040	1,220
Services	4,940	6,320
Government	1,660	1,620
Women		
Agriculture and Forestry	2,720	2,150
Fisheries	110	100
Mining	10	10
Construction	760	850
Manufacturing	5,270	5,710
Utilities	40	40
Transportation and Communications	410	480
Wholesale and Retail Trade	5,760	6,670
Finance, Insurance and Real Estate	870	1,140
Services	5,070	6,520
Government	330	320

*1988 figures are not available; 1987 data are used instead.

Source: Ministry of Labor

Table 2: Reasons for Leaving Work by Sex and Industry, 1987

(in thousands)

	Total	Contract Termination	Employers' Convenience	Retirement Age	Own Responsibility	Own Convenience	Sickness and Injury
Women							
All Industries	2,090.5	202.7	116.2	48.4	79.5	1,603.4 (335.8)*	40.3
Mining	2.2	0.5	0.5	0.1	0.0	1.0 (0.3)	0.0
Manufacturing	646.4	43.2	64.6	19.6	22.7	482.8 (82.9)	13.6
Utilities	6.3	4.0	0.2	0.2	-	1.9 (1.0)	0.0
Transportation and Communications	54.8	10.8	2.2	2.2	2.4	36.8 (6.7)	0.5
Wholesale and Retail Trade	670.3	56.8	20.7	9.9	35.6	534.6 (107.4)	12.7
Finance and Insurance	170.4	8.0	3.3	1.4	2.1	152.7 (44.8)	2.9
Real Estate	11.1	0.9	0.6	0.1	0.3	8.9 (2.2)	0.3
Services	529.0	78.6	24.2	14.8	16.4	384.7 (90.6)	10.3
Men							
All Industries	1,750.0	110.6	196.3	127.9	102.1	1,158.5	54.7
Mining	16.1	3.3	7.2	1.2	0.1	3.9	0.3
Manufacturing	634.5	58.2	88.9	51.3	31.9	384.1	20.1
Utilities	7.8	0.8	1.8	3.6	0.0	1.3	0.4
Transportation and Communication	241.6	11.4	30.3	22.1	17.8	151.5	8.4
Wholesale and Retail Trade	487.1	12.8	30.0	22.7	37.0	375.3	9.3
Finance and Insurance	38.2	0.8	4.0	8.5	0.6	21.9	2.4
Real Estate	13.6	0.6	2.5	1.5	0.3	8.3	0.4
Services	311.2	22.7	31.7	17.0	14.4	212.0	13.4

*Figures in parentheses indicate women who left work due to marriage, pregnancy and child care.

Source: Ministry of Labor, Yearbook of Labor Statistics 1987

Table 3: Wage and Work Hours Comparison by Sex and Age, 1987

(all industries)

	Length of Service*	Regular Hours	Overtime Hours	Monthly Contractual Earnings**	Annual Special Earnings**
Women					
Under 18	1.3	189	3	Y104.8	Y126.4
18 - 19	1.0	183	7	124.2	117.7
20 - 24	2.8	177	9	146.6	438.1
25 - 29	5.5	175	9	168.6	610.8
30 - 34	7.8	177	7	176.7	611.6
35 - 39	8.6	180	7	178.0	573.7
40 - 44	9.3	182	7	178.8	551.6
45 - 49	10.3	184	7	174.7	526.6
50 - 54	12.1	185	6	174.8	514.5
55 - 59	13.1	185	6	182.2	527.1
60 - 64	13.1	186	5	176.8	460.0
65 +	15.9	186	3	177.0	449.2
Men					
Under 18	1.1	194	6	114.3	87.6
18 - 19	1.1	185	21	149.2	138.1
20 - 24	2.8	181	23	179.3	415.9
25 - 29	5.4	180	22	220.7	685.4
30 - 34	9.3	180	20	266.8	907.4
35 - 39	13.0	180	18	307.3	1,100.8
40 - 44	16.5	179	16	339.9	1,293.5
45 - 49	19.0	180	15	356.6	1,389.5
50 - 54	20.0	181	15	321.4	1,321.1
55 - 59	17.9	183	13	303.5	1,026.0
60 - 64	11.0	188	8	240.3	631.7
65 +	12.4	189	6	221.2	518.5

*In years.
**In thousands of yen.

Source: Ministry of Labor, Yearbook of Labor Statistics 1987

Table 4: Wage and Work Hours Comparison by Sex and Education, 1987

(all industries and all sizes of enterprise)

	Average Age	Length of Service*	Regular Hours	Overtime Hours	Monthly Contractual Earnings**	Annual Special Earnings**
Women						
Lower Secondary	47.0	10.1	186	7	Y145.2	Y370.8
Upper Secondary	33.3	6.7	180	7	163.8	501.4
Junior College	28.5	5.0	174	8	180.6	600.8
College/University	30.4	5.2	172	8	217.6	758.1
Men						
Lower Secondary	46.1	15.0	185	21	270.9	730.9
Upper Secondary	37.3	12.2	181	19	273.9	922.3
Junior College	35.0	9.2	181	17	265.7	895.6
College/University	36.3	10.7	174	13	329.6	1,409.0

*In years.
**In thousands of yen.

Source: Ministry of Labor, Yearbook of Labor Statistics 1987